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#### **LEBANON**

Christian and Muslim militiamen battled in Beirut's port area yesterday for the third straight day. Lebanese radicals and Palestinian rejectionists apparently are pressing their attacks against Christian positions, despite the announcement on Sunday that leftist leader Kamal Jumblatt had agreed to extend indefinitely the cease-fire that ended on April 30. Violence elsewhere in the city subsided following the announcement.

The Christians reportedly have been forced back, but they still control the main part of the city's port and reportedly are preparing to counterattack. Unless a determined effort is made soon to bring the battle in the port area under control, the fighting is likely to spread.

The joint Lebanese-Syrian-Palestinian military committee is scheduled to meet today to resume its effort to work out arrangements to enforce the truce. Although the committee is unlikely to be able to halt the fighting, it might be able to force both sides to reduce the intensity.

Lebanese political leaders, meanwhile, continued their maneuvering in preparation for the selection by parliament of a successor to President Franjiyah on Saturday. Christian leaders reaffirmed their support for Ilyas Sarkis, while Jumblatt, who strongly supports Raymond Edde, again indirectly criticized the Syrians, who favor Sarkis.

A Lebanese parliamentary delegation, led by a leader of the uncommitted bloc,
is to arrive in Syria today to discuss the presidential succession. The US embassy in
Beirut reports that a high-ranking fedayeen group, perhaps led by Yasir Arafat, may
also go to Damascus shortly to see if the differences between Jumblatt and the
Syrians can be bridged. A compromise candidate could emerge, but at this point
neither Sarkis' nor Edde's backers seem ready to yield.

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#### YUGOSLAVIA-USSR

As reports of a visit to Belgrade by General Secretary Brezhnev circulate there, Yugoslavia is trying to deflate what it believes are Soviet expectations for major Yugoslav concessions.

Allegations in the Yugoslav press of Soviet pressures probably reflect Belgrade's concern that Brezhnev may seek increased use by the Soviet navy of Yugoslavia's Adriatic ports. Brezhnev can also be expected to press the Yugoslavs to be more cooperative in the preparations for the European Communist party conference.

These issues, as well as pro-Soviet subversion in Yugoslavia, are recurrent themes in conversations of Yugoslav officials with US embassy representatives. For its part, Belgrade is offering to use its political influence with Arab moderates to help the Soviets recover lost political influence in the Middle East.

Yugoslav allegations of Soviet pressures took a new turn with the recent private assertion that the CEMA countries are engaged in a "campaign" to slow down their exports to Yugoslavia. CEMA trade with Yugoslavia did slow in the first quarter of this year, but so did overall Yugoslav foreign trade. Thus, there is little evidence to prove that a politically motivated economic "squeeze" is being applied on Yugoslavia.

The Yugoslavs may be dramatizing their trade problems with CEMA in order to wrest a better economic deal from Brezhnev, should he visit Belgrade. The Yugoslavs may want to draw more heavily on a 1972 Soviet credit of \$540 million—only a fifth of which has been allocated to date. Belgrade's readiness to accuse Moscow of economic blackmail, however, may tend to feed speculation that deep-seated political differences are having an impact, despite President Tito's best efforts, on commercial relations with the East.

In the political realm, the head of the Soviet delegation to the recent Czechoslovak party congress is alleged to have gone out of his way to complain to the Yugoslav representative about anti-Soviet articles in the Yugoslav press. Belgrade recently closed one of its press offices in Prague because of the Czechoslovak regime's interference with its functions during the party congress.

In a lengthy interview last week, Stane Dolanc, Tito's deputy in the party, publicly rejected recent Soviet statements equating Yugoslavia with Moscow's allies. Dolanc sternly reiterated that Yugoslavia is, and would remain, nonaligned in foreign affairs and an independent factor in interparty matters, including preparations for the European Communist party conference.

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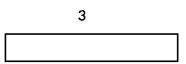
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The Yugoslavs probably are assessing how these messages are being received in Moscow before sharpening their attack. The espionage trial of a Soviet citizen in Zagreb was recently postponed—apparently without setting a new date—in a convenient decision that can be read as either a gesture or a warning to Moscow. It is doubtful that Brezhnev would go to Yugoslavia if the current attacks do not abate.

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PANAMA: The National Guard has thwarted a plot by Par	namanian exiles to
attack the Spanish embassy or kidnap its ambassador in order million dollars in ransom and embarrass the government by pu	r to extort several
political demands. The Miami-based group, which reportedly inclu	ided several Cuban
exiles and one US citizen, also considered the Cuban embassy National Bank as targets. National Guard intelligence became awa	are of the plotting
at an early stage, and its efficient handling of the case may disco- plotting, at least temporarily. Meanwhile, the terrorists' connec	urage further exile tion with Miami is
providing Torrijos with a basis for denouncing his critics in t	the US.
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